

ASSEMBLY BILL

No. 1556

Introduced by Assembly Member Nakano

February 21, 2003

An act to add Sections 13551 and 13552 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1556, as introduced, Nakano. Estate tax.

Existing law prohibits the imposition of any tax on or by reason of any transfer occurring by reason of death, but imposes a California estate tax equal to a certain portion of the maximum allowable amount of credit for state death taxes allowable under the applicable federal estate tax law. Existing law also specifies the applicable interest payable on delinquent amounts or overpayments of tax.

The bill would provide that every payment of the tax shall first be applied to any interest due, secondly, to penalties, and then to the tax itself, as provided. This bill would also provide that all interest and penalties shall be treated and collected in the same manner as taxes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 13551 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 13551. Every payment on the tax imposed by this part is
- 4 applied, first, to any interest due on the tax, secondly, to any

1 penalty imposed by this part, and then, if there is any balance, to
2 the tax itself.
3 SEC. 2. Section 13552 is added to the Revenue and Taxation
4 Code, to read:
5 13552. All interest and penalties provided in this chapter shall
6 be treated and collected in the same manner as taxes.

